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Professor Ely: I am sure there are many who would like at this point to take up the discussion, but I would like to suggest that the discussion would be facilitated by postponing it until Professor Patten's paper has been read.

### THE EDUCATIONAL VALUE OF POLITICAL ECONOMY.

BY PROF. SIMON N. PATTEN OF THE UNIVERSITY OF PENNSYLVANIA.

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What is the place of political economy in the college curriculum, and the value of it to the student as a means of culture?

The study of mathematics has enjoyed a monopoly as a means of logical discipline. The claims of mathematics to so exclusive a place are not justified by the content of the science, the character of the reasoning or by the way in which it is taught.

Political economy is in many respects fitted to become a substitute for mathematics as a means of cultivating the reasoning powers, and in some regards it is even superior to it. As a basis of this claim it is maintained that completely deductive sciences do not furnish as good a mental discipline as those sciences that are less advanced, being in a state of transition from the inductive to the deductive stage. That science has the greatest educational value that uses both deductive and inductive reasoning and properly combines them. Many special arguments can be given to show the great educational value of the theory of political economy, and how the use of hypothesis and the method of isolating special problems from the complicated conditions in

which we find them, make economic reasoning resemble that of mathematics.

Stress may be laid also upon the value of economic history as showing the growth of institutions and the constant change in economic policies. The history of economics promotes the growth of a catholic spirit and helps us to understand the policies of nations that have other policies than our own, and to appreciate the motives of people of our own nation who advocate another policy from the one we uphold.\*

The third leading educational value of political economy lies in the study of facts. There are many new problems to investigate, the facts of which are little known, and any earnest student can gain, not only knowledge, but also great mental discipline, by a careful study of them.

Of the errors into which the teacher of economics is likely to fall in teaching his subject, five may be noted, namely:

I. Teaching political economy as a compact whole as mathematics is taught, instead of a series of problems demanding separate investigations.

II. The use of *reductio ad absurdum* arguments. In political economy we can never be sure that we have all the possible suppositions and hence cannot justly conclude from the falsity of all but one of the known suppositions, that the remaining one is true.

III. Putting theory and fact in opposition. Because there are many facts that do not conform to the theory, does not disprove it. They merely indicate the working of other causes.

IV. Beginning with the concrete instead of the abstract. The concrete facts are so much more com-

plicated than the theories that explain them, that it is advisable to begin with the latter.

V. Mixing morals and politics with political economy. Each class of problems should be kept by itself, and discussed on its own merits.

### *Discussion.*

Professor Ward: I wish to make a remark that relates to what I shall call the two methods of study, or of contemplating the general subject of economics. It is a good thing to dwell on the great difference which exists between the modern economy and the old economy, and probably the forcible antithesis which was presented by our president in his opening address was not overdrawn. At the same time it has never seemed to me exactly in the light of a revolution, as some at times seem to regard it, but rather as a change which has taken place in the method of contemplating economics, and I am not sure but that we look as much as ever at the subject from the old point of view, and the change seems to me to be chiefly in the fact that we have also come to look upon it from the new point of view.

The old point of view of studying political economy has always seemed to me to be well expressed by the term historical, and still better by the term that we have sometimes used,—the natural history method. The old economists looked upon human society and the phenomena of the economic world from very much the same standpoint from which the biologist contemplates animals and plants. The thirst for knowledge in the human mind as it has developed has been so great that nothing could prevent it from

going into every possible nook and corner of the whole domain of thought and feeling, and from working out every principle that could be seized upon. The old economists were simply students of social life. They studied mankind, not as a matter of curiosity, but simply for the sake of obtaining information and working out a set of principles that would apply to human action and the phenomena of society. In more modern times we have students of the science of anthropology, or ethnology, as it is perhaps more correct to name it. We have the works of Tyler, Maine, McLennan, and others. These students have been studying man from the ethnical standpoint with exactly the motives with which the old economists studied the phenomena of human society. The idea of its being for the purpose of bettering society was as completely absent from the mind of Ricardo as it was from the mind of Tyler in studying the primitive culture of the human race. They are simply studies in natural history, studies for the sake of increasing the body of knowledge of the phenomena and facts which are presented by everything that can be studied. And that is as legitimate a method to-day as it was in those times. But the great change seems to me to have been that modern students of economics have come to think about the phenomena of society, the great questions of political economy, its facts and phenomena, not merely as means of increasing the sum of human knowledge, but as means of grasping a certain series of laws and principles by which, if properly applied, the phenomena of society may be modified and guided, and the future condition of society improved.

Professor Smith: I was very much interested in Professor Patten's paper, and agreed with a

great many things that he said. There was one statement, however, with which, if I rightly understood him, I must confess that I do not entirely agree. It was that one of the valuable things in the study of political economy is the cultivation of the imagination of the student, and that we should teach our students to form for themselves ideal pictures of society; that that was a method of discipline and a method of culture for the student in the study of political economy. I am not able thoroughly to understand that statement. It is true, as Professor Patten said, that some of the noblest among men have busied themselves from time immemorial in making ideal pictures of society. It has been very rightly said that for men who busy themselves at all with the actual constitution of society, there is an almost irresistible temptation to get away from the imperfect institutions that they see about them, and draw a picture of the perfect society, but I do not think it follows that it is a useful discipline for youthful minds to busy themselves in that way, or that they will receive any benefit or culture from so doing. In the second place I do not think there is any need of encouraging youthful minds to make ideal pictures of society. That is almost instinctive in youthful minds. Even the child has his ideal world, with unlimited gingerbread that he may have for the asking,—a world in which he shall be always happy. I do not think it requires any discipline or any teaching of political economy to arouse in young men this idea of picturing the perfect society. To my mind the function of political economy is not to arouse these ideas, but to temper them, to show to the student the difficulty of

removing the obstacles that stand in the way of everybody being happy. These things do not occur to the student. It is the study of political economy, the study of statistics and the actual relations, that leads him to modify these ideas; there comes the discipline and the culture and the value of the study.

It seemed to me also, as Professor Patten went on with his paper, that the statement of one of the uses of political economy was contradicted by at least two statements that he made later. He said that one of the errors in the art of teaching was that we were apt to lead things back to too small a number of causes. I think that picturing the ideal state of society tends exactly in that direction. The men who generally picture the ideal state of society are those who look at only one cause. They make the matter too small. I think, in the second place, that this picturing an ideal state of society contradicts the second statement that Professor Patten made, and leads us into what he calls his fourth error,—that is, the intermixing, without distinction, of morals and politics. I believe that in economic teaching you should also bring in the elements of morals and politics. I think you should say to your students that the economic solution is so and so, while these other considerations must come in. I think you make your teaching bad if you try to exclude morals and politics, but you should also say that this belongs to economics, this belongs to morals, and this belongs to politics. I think that picturing ideal states of society will always cause errors in these directions.

Mr. Shearman: I can only partially agree with Mr. Smith. With regard to the study of economics

for the sake of finding out the ideal society, I am more inclined to agree with Professor Patten than with Professor Smith. No one appreciates more fully than I do the enormous difficulties in the way of any improvement in society, and since it is very well known that I take a particular view of taxation, I wish to say at the outset that I do not expect by that, or by any other means, to cure all the ills of society. The trouble with young men is that they so soon lose these ideas. I do not think that professors need take any pains to chill the enthusiasm of young men under their care. They do not need to tell them that there are enormous difficulties in the way, except by way of a little warning, so that they may not be so terribly disappointed when they go out into life. The little child's idea of a world where it can have an unlimited supply of gingerbread should be snuffed out at once, but if it can be made to form an ideal of a society where every other hungry child shall have gingerbread, and it shall give up some of its share, this ideal should be emphasized and encouraged.

Those of us who have taken any part in any social reform, must, I think, have been chilled to the bone, over and over again, by the absolute indifference that we find among all men and all women to these problems. Even their contributions are so small a part of what they might give without any inconvenience. You may take the majority of men even who have been famous for their contributions to charities, etc., and they are exceedingly small in comparison with the amount of their incomes. It will be found that most of our young men are looking out for themselves, and that they give but little if any thought to the picturing of an ideal society wherein every-



body shall be happy. I see so constantly the difficulties in the way of improvement that I cannot help smiling at the intense enthusiasm of some of my friends, who expect enormous results in a very short time. But let us look back and see. Have we not accomplished an ideal which in some respects is wonderful? Look at Plato's republic, look at his ideal of morals and of the family, and see how far we have surpassed it. We are going to accomplish an ideal society, I am fully convinced, which is so far above anything which we now have belief in, that we shall look back and wonder that we ever entertained such small ideals as we have.

In the study of economics it does not seem to me that the moral element ought to be brought in. They should not be so mixed as to destroy distinctions in the minds of men, but, after all, there is a wonderful unity in the theory which is to be drawn from all facts. I am one of those who believe that theory and facts never conflict. The trouble is that our theories are not formed upon all facts. The proper theory of morals and the proper theory of economics agree exactly, and men who have come to the age of fifty years, and have watched carefully, will observe that, in reality, there is no conflict between the two, nor between any social laws, and that the men who stand before the community as the type of everything that is immoral in the way of money-making, afford an excellent example of the value of morality even in that very respect. Those who study the career of any noted man will find that in proportion as he has conformed his life to the external judgment of the world in moral matters, his wealth has more rapidly increased. True, I always insist upon it that these im-

mense fortunes are unhealthy and undesirable, but I say that they are not evidences of the personal guilt or any personal wickedness of the men who have gained them. It is not wicked when the community throws its wealth lavishly into the street, as it does now, for men to pick it up. I believe in the importance of keeping the laws of morals and the laws of economics together, and the importance of inciting in young men an ideal for the future, not of a gingerbread world for themselves, but of a good, honest bread and-butter world for every one.

Hon. William T. Harris: Is it not true that economics is both a science and an art, and that in speaking of it solely as one or the other we are looking only on one side of the sheet? I say this in returning to the discussion that was left a few moments ago, before the last one or two speakers, because I think it is an important thing to emphasize that economics is both. As a science we who are interested in economics and try to be teachers of it have of course to discern from the facts the general principles that give the key to individual facts and that by and by make the facts suggestive and useful. By and by we come also to find that economics is an art, and while we do not look forward with an untrained imagination to industrial paradises which we shall never reach, we can look forward the one step by which those who are feeling out in this direction may lead the less intelligent in the right direction, and help them the one step up. The imagination that is untrained is simply a waste of thought. The imagination that is trained is a most effective and useful force, and I think every man who goes out into active business finds that this quality, which we

sometimes sneer at, is a most useful factor. It enables him to know how other men look at things, and it enables him to lead them as far as they can be led, while, on the other hand, a scientific training of the imagination prevents a man from attempting the impossible, and spending himself against the wall of what cannot be.

One word more on another side of the discussion. Professor Patten in his paper speaks of economics taking the place of mathematics or physics. Is it not true that both in study and in active work we must recognize more and more, in education and in life, that all things, all studies, all departments of knowledge, fit into each other, so that one thing cannot take the place of any other thing? Is it not true, therefore, that we must not expect to displace anything else by economics, but to recognize in our college courses that economics has its place, and that it must be fairly humble and modest in asking for its place but no more? In the same way in regard to the relation of ethics and of politics to economics. Must we not recognize that they fit into each other? That in studying economics we must give thought to these ethical principles, which follow so closely upon economic principles? It seems to me that it is worth while considering that not only must economics recognize its relations to other studies and other departments of knowledge and activity, but that we also, as economists, must recognize both sides of economics itself; that on one side it is a science, and on the other side an art.

Professor Ely: I would like to make one or two remarks, beginning with the suggestion of Professor Smith, that young men do not need to be taught to

entertain high social ideals. As Professor Smith spoke, I thought of my career in the college which is fortunate enough to enjoy his services. I thought of my classmates, with whom I was able to become tolerably well acquainted, and I must say that those young men with whom I came in contact did not entertain those high ideals which needed to be chilled. There were not six men in the class of nearly fifty who had any high social ideals to be chilled, and when I think of the subsequent career of my classmates, and of the opportunity which many of them have had for great usefulness in New York City, it seems to me that it was a great pity that some attempt was not made to stimulate them with high ideals. I am convinced that what was true in my day of Columbia is true of many other good institutions in this land at the present time. The young men do not need to be held in and curbed with respect to social ideals and generous aims, but these aims need to be encouraged where they have them, and there ought to be an attempt made to arouse in them a little generous enthusiasm, which young men often lack at the present time. Now what has that to do with political economy? I think that Professor Patten's paper was in some respects inconsistent with the writings that he has given to the world. Professor Patten believes in an active policy of government. He believes in dynamic sociology. I think we must go to ethics to get aims for this active policy. If we have no high aims how can we have any active policy of government, because an active policy of government may carry us in an undesirable as well as a desirable direction. To go back still further in the discussion, it seems to me that we cannot separate out

the topics as suggested by Professor Giddings. I do not believe that we can separate by any sharp line administration from political economy, or political economy from ethics, or political economy from politics, for each one deals to a very large extent with the same topics. The difference is in the standpoint. Political economy has its standpoint, and ethics its own standpoint. I think that I indicate in this the method which we must adopt in drawing the line between these various social sciences.

Mr. C. F. Adams: Without the slightest claim to stand upon the same platform with some of the authorities who have entertained and instructed us, I wish to put forward the view of a plain layman upon some of the points raised. First as to the point about imagination, which, with all Professor Smith's ability of polite sarcasm was rather sneered out of the way. No less a man than Herbert Spencer has distinctly called attention to the fact that there is a scientific imagination. Huxley, Tyndall and Spencer have the thoroughly scientific imagination. The use of hypothesis is an imaginative function. Professor Patten, if I understood him, is entirely right in claiming that this is a highly useful function. There is no statesman who plans even one step in advance who has not had an imaginative plan of a state of society better than the one in which he is living.

In justice to an absent friend I wish to enter a protest against some of the ideas advanced. I am sorry that Professor Patten used as illustrations two which I do not think illustrate. If I understand the Professor rightly, he is under the impression that Henry George assumes to prove his theory—which I am not concerned to defend at all—of the importance

of having land common property, simply and only in the half page in which he sums up his statement of his remedy as compared with his criticism of six or seven other proposed remedies. Unless I am very much mistaken, the impression that this audience will get from Professor Patten's statement is that Henry George proves his case, or attempts to prove it, only in that half page. I assert that this is only a small part of the argument, that the whole previous part of *Progress and Poverty* is an elaborate and brilliant attempt to prove the reasons why ground rent should be common property. The second illustration which I think did not illustrate is drawn from the same author. It was that Henry George, in the same book, had confused the ethical, the political, and the moral elements. I assert that Henry George distinctly keeps these apart, and that it is quite late in the book that he discusses the question as to whether his remedy is right.

One other thing. The fallacy, or the bad practice, which the Professor did not mention was the use of what has been called "question-begging epithets." To say that a man proposes confiscation, without saying more, is a dangerous approach to this practice. You must remember in fairness that Henry George never admitted the justice of private property.

Hon. Seymour Dexter: And now a single word as to the topic which is before us to-day, the educational value of political economy. I rise not to discuss the theory in connection with it, but to give a fact to those who are interested. First, I believe there is no course of study, whether it be the classical or in the domain of any of the sciences, from

which so much of educational value can be obtained as from political economy. In illustration of it I give this: There is located in my vicinity an institution known as a Reformatory, into which are brought young men ranging between sixteen and thirty years of age, for their first offences. A regular course of study is pursued, and the study which has been most effective in developing these men, in arousing their aspirations, in bringing about their reformation, is the study of political economy. It opens up to them lines of thought that run out into daily life, that run out into the every-day problems of politics,—lines of thought bringing them into connection with our social problems, and, as has been well said by Dr. Ely, when we attempt to separate political economy, ethics and politics, we make a great mistake. They are all united. We may study the roots, the trunk, the flower, the leaf, the fruitage of the tree, yet they are all united. Political economy in stirring the thought of young men possesses a value that is not excelled by any other study.

Professor Giddings: I suspect that this discussion has gone off on a tangent through a failure to apprehend Professor Patten's point. I think that he had in mind, as desirable in the teaching of political economy, some allusion to economic as distinguished from political or moral ideals. To what extent may a teacher suggest economic ideals in his class-room work? We had presented to us Saturday evening in Mr. Cooley's paper a concrete case of this kind. To what extent will rent be affected by a change in the habits of the people? To what extent, then, should the teacher try to awaken strictly economic ideals in the pupil?

Professor Patten: The committee having this subject in charge endeavored to obtain papers from several of the leading economists but they were all interested in particular problems, and it therefore seemed necessary for the committee to take up the work themselves. We had, of course to conform to our own ideas, but our purpose has been to get the Association to see how much there is in the discussion of this question, and how much the importance of this discussion exceeds for us, as teachers, the importance of particular problems. As for defending the particular system or the particular way of teaching, and as for that estimate of political economy which I have given, of course I as an individual am alone responsible.

I think that Professor Smith came at the central point immediately. I want on my side to state the problem a little more fully. My idea is that we should first of all go over the possible ways in which political economy may be of use in the development of the mental powers of the student. Now I think it is a very useful thing to ask a class to consider what ideas or conceptions of society underlay and shaped the studies of the great economists of the past. It is well often to call up in the thought of the pupil the question—What did Ricardo have in mind or what did Malthus have in mind? For Smith, Ricardo, Malthus and Mill had each his ideal of society and it largely determined his economic system. The great error in the study of political economy lies in having but one ideal, out of which a person inevitably constructs a narrow and one-sided system. The power to form many and different ideals is what I had in mind, and it is that power which we should give to



our pupils. After we have thus strengthened the faculties of the student, we should call attention to the ways in which the ideals that have determined economic thought came to exist and how ideals should be limited and controlled. I have the same conception of morals and ethics. Give us morals and ethics, and after this has been done, put them into relation.

As to the use of the word confiscation, I am very sorry that I conveyed any idea of condemnation. I did not mean in any way to imply that confiscation was wrong; I meant only to imply that it was wrong to discuss the subject in the particular way that was described.

*Morning Session, December 30.*

#### ECONOMIC ASPECTS OF TECHNICAL EDUCATION.

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The discussion of technical education was opened by President Walker, who presented a view of the subject that he called the South Kensington view; that, namely, which contemplates technical education as qualifying the producer the better to meet existing demands for the creation of wealth according to the present tastes and desires of the people. As this view is familiar, and the arguments and illustrations pertinent to it are to be found elsewhere, President Walker has deemed an abstract unnecessary.

#### *Discussion.*

Professor Patten: It is only recently that attention has been directed to consumption as a part of political economy. The older writers disregarded it.